

**The Regular/Special Meeting of the  
Brian Head Town Council also  
Acting as the Governing Body of the  
Brian Head Special Service District &  
Redevelopment Agency  
Town Hall Council Chambers  
56 N. Hwy 143, Brian Head, UT 84719  
TUESDAY, JUNE 25, 2013 @ 1:00 PM**

**Roll Call.**

**Members Present:** Mayor/Chair H.C. Deutschlander, Council/Board Member Larry Freeberg, Council/Board Member Clayton Calloway, Council/Board Member Jim Ortler, Council/Board Member Linda Ames.

**Staff Present:** Bret Howser, Nancy Leigh, Tom Stratton, Chet Hovey, Wendy Dowland, Cecilia Johnson

**A. CALL TO ORDER**

Mayor/Chair Deutschlander called the regular/special meeting of the Brian Head Town Council, Special Service District and Redevelopment Agency to order at 1:00 pm.

**B. PLEDGE OF ALLEGIANCE**

Mayor/Chair Deutschlander led the Council/Board in the Pledge of Allegiance.

**C. DISCLOSURES**

There were no conflicts of interest with today's agenda items. Mayor/Chair Deutschlander stated that the disclosure statements are on file at the Clerk's office and are available for public inspection during normal business hours.

**D. APPROVAL OF THE MINUTES: June 11, 2013 Town Council/RDA/SSD minutes.**

**Motion:** Council/Board Member Ames moved to table the June 11, 2013 Town Council/Special Service District and Redevelopment Agency minutes. Council/Board Member Calloway seconded the motion.

**Action:** **Motion carried 5-0-0 (summary: Yes = 5 Vote: Yes:** Mayor/Chair Deutschlander, Council/Board Member Freeberg, Council/Board Member Calloway, Council/Board Member Ortler, Council/Board Member Ames.

**E. PUBLIC INPUT/ REPORTS (Limited to three (3) minutes) Non-Agenda Items**

**Council Member Ortler** updated the Council on a Utah League of Cities & Town Legislative Policy Committee meeting he attended. Topic of discussions were the GRAMA laws and proposed water rights legislation as it pertains to the "haircut" associated with moving agriculture to culinary water rights. The water rights issue will be before State Legislative next spring and could affect the town if the town decides to move the water rights from Parowan Valley to Brian Head for the sewer treatment plant. Council held discussion on whether the town should wait until the new law was enacted before moving the water rights. Staff will follow up with the town's water attorney for a legal opinion and report back to the Council.

**Mayor Deutschlander** reported on a Five County Association of Government meeting in Kanab. The committee reviewed nine projects requesting funding from the Community Impact Board (CIB). All nine requests were forwarded to CIB for consideration. The town is scheduled to present its request for the reservoir project to CIB in July and will now be competing against other projects. 46% of the requests for funding from CIB are in Southern Utah this year.

**Bret Howser, Town Manager**, reported that a representative from the Bank of Utah will be here on July 10, 2013. They are interested in the refinancing of the 2007 Interconnect bonds. Zion Bank was instrumental in setting up the meeting with the Bank of Utah and will also be joining the meeting. Zion Bank is currently the holder of the bonds.

**Dan Benson, Public Safety Director**

1. He has posted fire restrictions for the town effective July 1, 2013. Chief Benson reported the public are able to have campfires as long as they have a fire ring to contain the fire. The main focus is to prohibit personal fireworks within the town due to the extreme wildland fire danger.

2. The annual 4<sup>th</sup> of July fireworks are scheduled as planned unless a high wind warning takes effect.
3. The town sent a fire engine and wildland firefighters to fight the Westfork Complex Fire in Southwestern Colorado. Officials have requested the town swap out crew again in 14 days to continue fighting the fire which is in a beetle kill forest area.

**Tom Stratton, Public Works Director**, reported he has received complements on the mag chloride that was placed on the town's dirt road in an effort to reduce dust for the upcoming holiday. Council Member Ortler reported he has also received a number of comments on the roads during the Timberbrook Homeowners Association annual meeting.

## **F. AGENDA TOPICS:**

### **1. UTILITY RELIEF REQUESTS:** Businesses requesting relief on their utilities

Bret Howser, Town Manager, explained the town has received two requests from local businesses asking for relief on their utility bills. Bret went on to explain the town does not currently have a policy in place to address these issues and Council has historically considered all requests for relief.

Bret gave a brief explanation of an Economic Development Business Retention plan and how it can assist at-risk businesses by providing a relief plan. It is a committee involving key players such as financial institution representatives, utility representatives and others who are able to bring their expertise to work out solutions tailored to the problem.

#### **a) DOUBLETREE HILTON UTILITY RELIEF REQUEST:**

Bret Howser, Town Manager, explained the DoubleTree Hilton's monthly utility bill is \$6,300 and they are requesting the town reduce the monthly fee to \$3,100 for a temporary period of time. The owners submitted an email explaining their situation and request (see attached).

Tyler Hunter, DoubleTree Hilton, explained his grandfather, Lynn Leany, recently passed away leaving the hotel to him to operate. Mr. Hunter explained the hotel is currently paying \$6,300 a month with a 255,000 gallon allotment in which they use less than one-half of the allotment. Mr. Hunter requested the Council grant them relief by reducing the monthly bill to \$3,100 by waiving the sewer and solid waste fees until the winter season (December 2013).

Mr. Hunter explained this would be for a temporary period of time in order to give the DoubleTree Hilton a chance to succeed in Brian Head by staying in business. They have reviewed all of their expenditures and have dramatically cut any unnecessary expenditure in order to continue to do business in Brian Head.

#### **b) MI PUEBLO MEXICAN RESTAURANT UTILITY RELIEF REQUEST.**

Maria Arias, MiPueblo Mexican Restaurant, explained she is currently on an \$800.00 payment plan and is unable to keep up with the payment plan. Ms. Arias requested the Council grant Mi Pueblo restaurant a utility relief by waiving one-half of the delinquent amount and reduce the currently monthly utility bill of \$300.00 until December 2013.

Ms. Arias, explained she has been in the restaurant business for the past three years in which the business has been struggling to stay afloat. She can no longer afford to keep employees staffed and would like a chance to catch up on the utility bill by reducing the delinquent portion of her bill.

Mayor Deutschlander explained the Council has given relief to businesses in the past, but that the town is still obligated to pay the bond payments for the infrastructure of the system along with the operation and maintenance of the system.

Council Member Ortler commented he has been approached by several businesses since this agenda item was posted in which existing businesses would also like a relief in their utility bill. Council Member Ortler stated he believes the commercial utility rates are too high for businesses to survive in Brian Head and would encourage the Council to review the Consolidated Fee Schedule as it pertains to the utility rates for commercial businesses.

Council Member Calloway commented that if the Council grants relief to these businesses, then there is a greater chance there will be numerous other businesses seeking relief from their utilities.

Council Member Ames commented she sympathetic to the businesses, but the town has an obligation to USDA for the system improvements. If the Council should determine to identify actual usage vs. monthly base rates, then the users would see their rates increase in order to maintain the system and meet the bond obligations.

Council Member Freeberg commented his concerns are if two businesses seeking relief, then there will be a demand from the other businesses wanting the same type of relief and the town would still have its obligations to pay the bond debt.

Council directed staff to present the Consolidated Fee Schedule to discuss the utility rates at the next Council meeting. Bret Howser, Town Manager, explained staff was intending to review the Consolidated Fee Schedule by reviewing the projects in the Water Capital Facility and Sewer Capital Facility plans within the next year, but will present to Council at the next meeting.

**Motion:** Council Member Ames moved to deny the utility relief request for both businesses; MiPueblo Mexican Restaurant and DoubleTree Hilton and direct staff to present the Consolidated Fee Schedule during the first meeting in July for Council consideration. Council Member Calloway seconded the motion.

**Action:** **Motion carried 5-0-0 (summary: Yes = 5 Vote: Yes: Mayor Deutschlander, Council Member Freeberg, Council Member Calloway, Council Member Ortler, Council Member Ames).**

Council Member Ortler commented he would like to see a staff recommendation in the staff reports in the future. Council Member Ames stated she would encourage the Council to take time to thoroughly review the Consolidated Fee Schedule prior to making a quick decision.

- Bret Howser, Town Manager requested the Mayor move Agenda Item #4, Community Impact Board Application Approval, be considered prior to the public hearing in order to give the Council and the public a complete overview of the reservoir project and what items will be included in the project overall.

#### **4. COMMUNITY IMPACT BOARD APPLICATION APPROVAL FOR THE BRIAN HEAD RESTORATION RESERVOIR PROJECT.** A review of the reservoir project to determine what projects will be identified for the reservoir and authorize the staff to proceed with the Community Impact Board loan application

Chet Hovey, Town Engineer, presented a drawing of the proposed reservoir project identifying the additional items to be included in the overall project (see attached). The Council held discussion on the following:

1. The configuration of the reservoir has been changed to show the added shallow area for the three beaches.
2. The fishing dock is identified
3. The trail around the reservoir has been realigned.
4. The cost is approximately \$330,875 which includes contingencies.
5. The blasting of rock in the town pit area is separated out as a separate cost item.
6. Staff has added a \$100,000 contingency for the project itself for any changes (see attached spreadsheet).
7. The project is has a completion date by the end of September 2013.
8. The town has found additional areas on the ski resort property. The resort is requesting the town to use the fill from the reservoir in those areas which will save the town money.
9. Council Member Ortler requested staff contact the resort to request their assistance in spreading out the dirt on the resort's property instead of utilizing the contractor's time.
10. Bret Howser, Town Manager, reported the town may request 1.8 million dollars from the Community Impact Board for the General Obligation Bonds, which includes issuance costs for the bond attorneys.
11. Bret reported the staff may be structuring the bonds with an early call, but will need to price it before it is identified.
12. Mayor Deutschlander inquired if staff has researched what the cost is to redevelop Salt Pile Springs vs. pumping the water from the well to the tanks. Bret responded the cost for the redevelopment of Salt Pile Springs is approximately \$60,000.00 and staff will research the cost for pumping the water from the well to the tanks and report back to Council.
13. Council Member Freeberg expressed his concerns using all of the USDA funds for the reservoir and leaving no funds available for any other project the town may need.
14. Chet reported the town must spend the remaining USDA funds before the end of September 2013.
15. Council Member Ames requested staff identify the total cost of the reservoir project to date and present to Council.
16. Mayor Deutschlander inquired as to the status of the black pipe that was used to dewater the meadow and if the pipe could be used for future projects. The cost of the pipe should be included in the reservoir project.
17. Chet reported the town could use the pipe to construct a dedicated water line from the town hall well to the Mammoth tank and also replace damaged waterlines due to a landslide in the spring area above the million gallon tank since HDPE pipe is very flexible.
18. The cost to install the pipe from the town hall well to the Mammoth tank is approximately \$500,000.
19. Concerns from the Council to adequately identify enough funds from CIB to cover the cost of the project and if the town should identify two million dollars for the CIB request.

**Motion:** Council/Board Member Ames moved to approve two million dollars as the amount to be submitted for consideration to the Community Impact Board for the funding of the reservoir project. Council/Board Member Freeberg seconded the motion.

**Action:** **Motion carried 5-0-0 (summary: Yes = 5 Vote: Yes: Mayor/Chair Deutschlander, Council/Board Member Freeberg, Council/Board Member Calloway, Council/Board Member Ortler, Council/Board Member Ames.**

Chet explained he will be giving the updated grading plan to JP Excavating since there were minor changes made based on the Council's direction.

**2. INTRODUCTION TO PUBLIC HEARINGS.** Issuance of the Special Service District bonds, series 2013 for the reservoir project.

Bret Howser, Town Manager, gave a brief explanation of the purpose of the public hearing to issue the General Obligation bonds for the Special Service District for the reservoir project. Bret explained the Parameter Resolution was adopted approximately a month ago and set the overall parameters for the issuance of the bonds.

**3. PUBLIC HEARING AUTHORIZING NOT MORE THAN \$2,600,000 GENERAL OBLIGATION BONDS, SERIES 2013 TO ACQUIRE AND BUILD RESERVOIR IMPROVMENTS AUTHORIZED AT THE NOVEMBER 6, 2012 BOND ELECTION.** Public input on the issuance of the General Obligation bonds, series 2013 for the construction of the reservoir project.

**Motion:** Board Member Calloway moved to recess the special meeting of the Special Service District and open the public hearing to receive input on the issuance of the Special Service District General Obligation Bonds, Series 2013. Board Member Ames seconded the motion.

**Action:** **Motion carried 5-0-0 (summary: Yes = 5 Vote: Yes: Chair Deutschlander, Board Member Freeberg, Board Member Calloway, Board Member Ortler, Board Member Ames).**

The Public hearing was opened at 2:20 p.m. No public comments were received.

**Motion:** Board Member Ames moved to close the public hearing on the issuance of the Special Service District General Obligation Bonds, Series 2013. Board Member Calloway seconded the motion.

**Action:** **Motion carried 5-0-0 (summary: Yes = 5 Vote: Yes: Chair Deutschlander, Board Member Freeberg, Board Member Calloway, Board Member Ortler, Board Member Ames).**

**5. A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF BRIAN HEAD ACTING AS THE GOVERNING BODY OF THE BRIAN HEAD SPECIAL SERVICE DISTRICT, AUTHORIZING NOT MORE THAN \$2,600,000 GENERAL OBLIGATION BONDS, SERIES 2013 PURSUANT TO A MASTER RESOLUTION TO BE APPROVED BY A PRICING COMMITTEE, TO ACQUIRE AND BUILD RESERVOIR IMPROVEMENTS AUTHORIZED AT THE NOVEMBER 6, 2012 BOND ELECTION AND RELATED MATTERS.** A resolution for the issuance of the General Obligation Bonds, series 2013 not to exceed \$2,600,000 to be approved by a pricing committee for the construction of the reservoir project.

Nancy Leigh, District Clerk, presented a draft resolution for the issuance of the Special Service District General Obligation Bonds, Series 2013 (see attached). Nancy explained the resolution identifies a maximum not to exceed amount of \$2.6 million dollars and identifies a pricing committee consisting of the Town Manager and District Chair who will approve the master resolution identifying the final cost of the bonds.

**Motion:** Board Member Ames moved to adopt Resolution No. SSD-0012 in an amount not to exceed two million dollars. Board Member Freeberg seconded the motion.

**Action:** **Motion carried 5-0-0, roll call vote (summary: Yes = 5 Vote: Yes: Chair Deutschlander, Board Member Freeberg, Board Member Calloway, Board Member Ortler, Board Member Ames).**

**5. PROPOSED ORDINANCE AMENDING THE 2012-2013 BRIAN HEAD TOWN/RDA/SSD BUDGETS ENDING JUNE 30, 2013.** An Ordinance amending the 2012-2013 budget ending June 30, 2013.

Bret Howser, Town Manager, presented the 2012-2013 amended budgets for the Town, Redevelopment Agency and Special Service District for the fiscal year ending June 30, 2013 (see attached).

Cecilia Johnson, Town Treasurer, explained there are expenditures and revenues still coming in and staff has made adjustment to anticipate those expenditures and revenues. Cecilia went on to explain that \$18,885 of the fund balance was identified in order to

balance the General Fund, but once all of the revenue and expenditures are identified, staff will adjust the amount of the fund balance if any is to be used to balance the budget.

**Motion:** Council/Board Member Freeberg moved to adopt Ordinance No. 13-005, an Ordinance amending the 2012-2013 Town, Special Service District and Redevelopment budgets ending June 30, 2013. Council/Board member Ames seconded the motion.

**Action:** **Motion carried 4-0-1, roll call vote (summary: Yes = 4, No = 0, Abstain = 1 Vote: Yes:** Mayor/Chair Deutschlander, Council/Board Member Freeberg, Council/Board Member Ortler, Council/Board Member Ames. **Abstain:** Council/Board Member Calloway).

## **6. PROPOSED RESOLUTION AUTHORIZING EMPLOYER PICK-UP OF EMPLOYEE RETIREMENT CONTRIBUTION.**

A resolution authorizing employer pick-up of employee retirement contributions.

Cecilia Johnson, Town Treasurer, presented a draft resolution authorizing employer pick-up of employee retirement contributions (see attached). Cecilia explained this resolution is a requirement of the state and is done on an annual basis. Cecilia reported that Brian Head Town is one of the last towns in the state's contributory system and in order for the town to be on the non-contributory system, the state legislature would need to open a window for those remaining cities and town to change over to the non-contributory system.

The Council held discussion on the following:

1. The difference in percentage between the contributory and non-contributory. The contributory system is 18.2% and the non-contributory is 16%, leaving a 2% difference with the same benefits.
2. Bret Howser gave a brief explanation of the two systems: contributory vs. non-contributory.
3. Council Member Ames requested staff research the difference in the dollar amount between the two systems.
4. Bret reported the town does not have the employees contribute to the retirement system.
5. The Public Safety Department switched over to the non-contributory system several years ago.
6. One difference between the systems is that the town has option to require the employees contribute to the retirement system.
7. Council Member Ortler encouraged staff to contact the Utah Retirement System to determine the reasoning behind the difference in the systems and what the benefit actually is.

**Motion:** Council Member Ortler moved to adopt Resolution No. 435, a resolution authorizing employer pick-up of employee retirement contributions. Council Member Calloway seconded the motion.

**Action:** **Motion carried 5-0-0, roll call vote (summary: Yes = 5 Vote: Yes:** Mayor Deutschlander, Council Member Freeberg, Council Member Calloway, Council Member Ortler, Council Member Ames).

## **I. ADJOURNMENT**

**Motion:** Council/Board Member Ames moved to adjourn the regular/special meeting of the Brian Head Town Council, Special Service District and Redevelopment Agency for June 25, 2013. Council/Board Member Ortler seconded the motion.

**Action:** **Motion carried 5-0-0, roll call vote (summary: Yes = 5 Vote: Yes:** Mayor Deutschlander, Council Member Freeberg, Council Member Calloway, Council Member Ortler, Council Member Ames).

The regular/special meeting of the Brian Head Town Council, Special Service District and Redevelopment Agency was adjourned at 2:45 pm for June 25, 2013.

July 23, 2013

Date Approved

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Nancy Leigh, Town/District Clerk